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DEPARTMENT OF STATE  
THE DIRECTOR OF INTELLIGENCE AND RESEARCH  
WASHINGTON

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May 5, 1977

TO: ICS - Mr. Fritz W. Ermarth

FROM: INR - Harold H. Saunders

SUBJECT: Comments on PRM-11 Task 2 Draft Paper

As will be seen from our specific comments, which are attached, the Department of State has a vital intelligence role, and interest in the intelligence community, as a consumer of its product, contributor of information and analyses, and coordinator and facilitator of its operations in foreign countries. The Department of State also has other important roles, however, many of which are prescribed by statute. For these reasons, and because of the budgetary restraints that have applied for some years, the Department of State must exercise careful control over its limited personnel and financial resources. In the past this has not been a bar to effective cooperation by the Department and the Foreign Service in carrying out reporting assignments responsive to the interests of the intelligence community, and there is no reason why it should prevent continued mutually advantageous cooperation. But it does bar the direct tasking of the Foreign Service by the intelligence community.

We have two other general comments on the draft, in addition to those of detail in the attachment.

-- Somewhere the paper should point out that much of the information the intelligence community needs is readily available on the public record, and that telegrams between the Department and posts abroad provide a wealth of extremely useful information on the interests of policymakers and on matters under discussion or negotiation with other governments.

-- In several places the paper gives the impression that intelligence is an end in itself. Thus, that the need for intelligence is limitless is stated axiomatically on pages 10 and 33, with reference both to range of subjects and quality of analysis, and on page 92, in terms of "sufficiency" as an aspect of the policymaker's dilemma in dealing with an uncertain world. The tendency to regard the need for intelligence as having no theoretical limits must be resisted. The

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policymakers and the intelligence community should not be exempted from the need to sort out their problems at least according to a rough standard of useful applicability of intelligence information. Top policymakers must recognize that there are uncertainties unsusceptible to any feasible intelligence source or method, and the intelligence community must acknowledge that some things are beyond its capabilities. A disturbing aspect of this problem results from the thirst of analysts for ever more input of information and analytical comment. The intelligence community must realize that it cannot have a blank check, that its consumers can use only a finite amount of information, that there are foreign policy as well as monetary costs to intelligence gathering, and that its demands for data are properly subject to an internal standard of reasonableness.

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Comments and Suggestions on Draft ICS 77-2146/a

P. 3

It would be desirable to add perspective to the references to the large percentage of NFIP assets "located in DOD" (e.g., near the bottom of page 3). In certain major programs such as SIGINT, the Secretary of Defense is "Executive Agent" for the U.S. Government and in that capacity is responsible for providing a service of common concern to meet the legitimate requirements of all government agencies. The resources involved are funded in DOD budgets, but are not owned by DOD. They support the DCI and the community as a whole.

P. 4

Somewhere the paper should reflect the full sweep of the State Department's interests as they affect, or are affected by, the DCI's responsibilities. The paragraph on the State Department deals primarily with certain collection and production interests, but does not clearly and fully bring out the role of the Department and the Ambassadors in dealing with the foreign affairs aspects of all intelligence programs and projects, including, for example:

- U.S. intelligence collection facilities in foreign countries (inside and outside our missions);
- Relations with foreign governments in SIGINT and other intelligence activities.

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P. 4

In second sentence of first full paragraph, revise last phrase to read

"makes the major contribution to political and economic intelligence, as well as providing intelligence on defense policies in much of the world."

Page 10

In sub-paragraph (b), change "institutions" to "interests".

PP. 10-11

Though intelligence service to most consumers may appear as a free good, there are also many who are appalled at the sheer volume of material circulated, and who cannot help but wonder at what it must cost to produce. The State Department is particularly conscious of the foreign policy costs of intelligence - e.g. the need to preserve installations abroad, the fall-out from disclosure, and the problem of cover.

P. 21

Last para, last sentence: Shouldn't one of the main hall-marks of national intelligence be that it is coordinated? Parts of the NID are, but, on the other hand, the PDB is not.

P. 23

Last sentence: Wouldn't it be more correct to say that the main judgments of the NIE are the DCI's, normally with the concurrence of some or all of the NFIB members, with individual dissent indicated by footnote.

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P. 24

Change "major NIEs are very labor-intensive efforts" to "major NIEs are hard and intensive work".

P. 24-25

Last para and first two sentences: The greater ecumenism practiced today in preparing estimates is a welcome development. It has brought with it, however, a problem -- it is taking too much time in an agency as small as INR, which, incidentally sometimes has occasion to share the DDI complaint that NIOs are "in fact directly tasking their people." The answer is not less ecumenism but fewer interagency products, especially IIMS.

P. 25

Lines 11-14: The "large variety of current intelligence products" produced by CIA, DIA, and NSA, do not seem to be "national intelligence" in terms of the definitions given on pages 21-22.

P. 31

Change the last word in the first full paragraph from "praised" to "commendable".

P. 35

Should not "nature of the subject" be added to the key variables that influence the quality of intelligence product?

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PP. 40-60

There are two points which deserve greater emphasis under management headings (e.g., pp. 40-60):

- One is the problem of clarifying the roles of the PRC(I) and the DCI in establishing priorities, having in mind that the CFI was charged with responsibility for establishing "policy priorities for collection and production", while the DCI, with the advice of NFIB, has been responsible for developing "national intelligence requirements and priorities".
- The other point is the need for a system of evaluating intelligence programs and projects, getting as close as we can to assessing the value to end users of existing activities and potential programs. Over the years the Intelligence Community has devoted entirely too much time to writing "requirements and priorities", with too little time on assessments of the real value and relative priorities of what we do and what we can do. A meaningful requirements and

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priorities system would probably come easier if it were based on good evaluations of the substantive significance of our collection and production activities. We have made a good start in several areas (e.g., some of our collection projects), but our evaluation programs need to be broadened to cover all major intelligence endeavors, including in-depth assessments of any existing or proposed projects where benefits, when measured against costs, are in doubt.

P. 46

The sentence about "reporting burdens" on CIA's espionage mechanism" is wrong-end first. Clandestine collection should be aimed at information not overtly obtainable and more should be done to eliminate duplication of Foreign Service reporting by clandestine collectors. As phrased, the sentence implies that expensive and risky clandestine collection is the independent variable in the tasking equation, and that it must remain so unless the Foreign Service is made an arm of the intelligence community. We would disagree with both assertions.

P. 79

In line 8, the "Department of State" should be inserted between "Director, NSA" and "Chiefs of U.S. Missions".

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P. 83

A paragraph should be added to reflect the role of the State Department and the missions abroad in dealing with the foreign affairs aspects of liaison with foreign intelligence services. Proposed wording:

The role of the DCI is also affected by the interests of the Department of State and the Ambassadors in foreign intelligence liaison and exchange. Intelligence arrangements with foreign governments often have significant implications for foreign affairs, and these aspects need to be closely coordinated by the State Department in consultation with the Ambassadors concerned.

P. 83

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